



U.S. Department of Commerce

EXPORT INDIANA

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Civilian Administrator Paul Bremer and Secretary of Commerce Don Evans at the central distribution hub for Iraq's new currency

LICENSING EXPORTS TO IRAQ

Trying to make sense of the opportunities and obstacles in selling to Iraq can be difficult. The following are some key points to consider.

Regulations concerning Iraq are handled by an office in treasury called OFAC. OFAC is the Office of Foreign Asset Control. For the latest information please go to:

www.ustreas.gov/ofac

Click on Sanctions Programs and Country Summaries and look for 'Iraq Overview of Sanctions Title 31 Part 575. (This is an overview and intro to sanctions and the new policy summary for the General License for exporting issued on May 23, 2003

The policy summary describes authorized transactions, prohibited transactions, and exceptions. It includes definitions of items controlled by the U.S. Department of Commerce

NOTE!!!!!!

EXPORTS THAT DON'T NEED A LICENSE can be shipped to IRAQ IF:
(EAR 99 shipments on the SED)

1. The transaction does not involve Iraqi assets blocked by the U.S.
2. The goods are NOT controlled by the Department of Commerce, in other words they are not on the Commerce Control List (CCL) – any items that are shown as EAR99 should NOT be on the CCL anyway
3. As long as people or organizations on the following lists are not involved in the transaction:

Specially Designated Nationals or SDN's of the government of Iraq
(www.treas.gov/offices/eotffc/ofac/sdn/index.html)

Persons on the Defense Department's 55 Person's Watch List
(www.centcom.mil/operations/iraqi_freedom/55mostwanted.htm)

Entities on the Entities List
(www.bis.doc.gov/entities/default.htm)

Denied Persons List
(www.bis.doc.gov/dpl/thedeniallist.asp)

Debarred Parties List
(<http://pmdtc.org/debar059.htm>)

The Unverified List
(www.bis.doc.gov/enforcement/unverifiedlist/unverified_parties.htm)

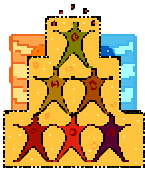
4. As long as the transaction does not involve Iraqi cultural property or other items of archeological, historical, cultural, rare scientific, and religious importance illegally removed since 1990

FOR ANY ITEMS THAT ARE ON THE COMMERCE CONTROL LIST- HAVE AN ECCN NUMBER- APPLY FOR A LICENSE FROM THE OFFICE OF FOREIGN ASSET CONTROL

DIRECTOR'S CORNER

Welcome to the WINTER 2004 edition of Export Indiana, and a new year. As we begin a new year, I thought it might be informative to mention a few unique new years traditions. Did you eat 12 grapes at the stroke of midnight like some do in Spain? Did you wear white for luck on New Year's eve? Many do in Brazil. In Venezuela, it's yellow underwear for luck on New Year's day. You don't even have to travel outside the U.S. to find unique ways to celebrate the new year. In the south, it's a tradition to eat black-eyed peas and turnip greens. The peas represent copper and the greens are dollars. Each pea you eat equals one dollar's worth of earning, and each portion of turnip greens equals \$1,000.

Whatever your tradition, why not make a New Years Resolution to grow your business by exporting!



GDP Per Person

Hong Kong is the richest of the emerging economies according to *The Economist*. It's income per head in 2002 was \$26,810. That is about \$9,000 less than per-head income in Norway, the world's richest country



Exporting to Asia Just Got Easier!

The **U.S. Department of Commerce** helps U.S. business export goods and services to markets worldwide.

The Asia Now program brings together the resources of U.S. Commercial Service offices in [14 Asia-Pacific markets](#) and your [Indiana Export Assistance Center](#), providing your company with a single point of access to regional trade events, our extensive services, and research covering Asian markets

Asia Now Express Service -- Information in A Hurry

The **Asia Now Express Service** is a commitment by participating CS posts to provide you with **free** 24 hour turnaround time for important questions that can be answered with an hour or less of research. Participating posts provide readily available information and make quick inquiries on your behalf to help determine the best ways to enter or expand your presence in selected Asian markets. Typical information we can provide includes:

- Advice on duty rates.
- General information on relevant local standards for various products.
- Publicly available information on local companies.
- Free lists of "unqualified" potential agents and other business contacts. (We think that nothing beats our IPSs or GKSs but we also understand that sometimes you just want an unqualified list of contacts from our existing database or a local business directory.)

Here is the list of participating posts. When you have a quick question, just send us an e-mail and you'll get a quick answer!

- Australia/New Zealand
- China (for a limited 3-month trial period)
- Hong Kong
- Indonesia
- Korea
- Malaysia
- Philippines
- Singapore
- Taiwan
- Thailand

WANT TO FIND OUT MORE?
CALL US AT 317-582-2300

New NAFTA Certificate of Origin Interactive Tool

- Get step by step help with filling out your NAFTA Certificate of Origin **ONLINE**.
- Boxes will take you through each field of the NAFTA Certificate of Origin, with detailed instructions.
- If you have any questions about any of the fields that must be filled out, just click on the blue underlined text and you will be taken to instructions about filling out that field.
- WANT TO KNOW MORE..... GO TO <http://web.ita.doc.gov/ticwebsite/ticit.nsf/>

Electronic SED Filing Mandatory by April, 2004– THINK AES

Electronic Filing of the SED (Shippers Export Declaration) now accounts for 88% of all eligible export shipments. While paper SED's are still accepted, electronic filing will soon be mandatory. The electronic equivalent of the paper SED is called AES (Automated Export System)

Q Under What Circumstances Must an SED be Filed?

An SED or an AES record must be filed for shipments valued over \$2,5000.00 or for items requiring an export license.

Q What is AES?

AES is joint effort between U.S. Customs, Commerce, The State Department, other federal agencies and the export community. It is the central point where export shipping data required by federal agencies is filed electronically to Customs using EDI (electronic data interchange). Export info is collected electronically and edited immediately, allowing for errors to be detected and corrected at the time of filing.

Q How Does AES Work?

When an exporter decides to export product, the exporter or his authorized agent makes shipping arrangements with a carrier. The exporter or his agent transmits the commodity (SED) info using the automated system. This information can come directly from the exporter or his/her agent (freight forwarder or shipper). The AES validates the data and generates a confirmation message or error message back to the filer. It does the same with transportation data.

Any error messages generated must be corrected and sent back to AES.

Q What Are the Benefits of AES?

Whether you are an exporter or a service provider AES has advantages for you:

- ♦ Ensure export compliance: AES insures that you are compliant with current U.S. export reporting requirements
- ♦ Decrease Your Costs: The system eliminates the costs of corrections with on-the-spot editing of data. It eliminates the costly delays of paper handling and duplicate reporting.
- ♦ Eliminate Paper Review of Licenses against Shipments: AES electronically validates data on export shipments against previously approved licenses and transmits the transaction to the appropriate government agency.

Q Who Must File the SED or AES Record?

The U.S. principal party of interest (USPPI) is responsible for filing the paper SED or its electronic equivalent. The USPPI is defined as the "person in the U.S. who receives the primary benefit, monetary or otherwise of the export transaction". The USPPI may authorize another party, for example, a freight forwarder, to file the SED or electronic record by granting power of attorney.

NOTE: as of October 18, 2003, the U.S. Census Bureau requires a NEW SED form, available at www.census.gov/foreign-trade/regulations/forms.

U.S. customs will accept both old and new paper versions of the SED thru January 17, 2004.

It's Here and It's a SNAP!!

You Can Submit Your Export License Application, or Commodity Classification Requests online With SNAP !

(Simplified Network Application Process)

- Submit export and re-export applications, and commodity classification requests via the Internet in a secure environment.
- Receive same day acknowledgment of your submission.
- Obtain online validations (e.g. electronic facsimile of export license) from BIS

REQUIREMENTS

- ♦ Internet access and a web browser with 128-bit encryption
- ♦ Applicant Identification Number (ID) and Personal Identification Number (PIN)

If you have not submitted to BIS electronically in the past, you will need to obtain a ["PIN Request" package](#). (CALL US FOR DETAILS)

If you have submitted electronically to BIS in the past and already have an Applicant ID and PIN, you must update your account information by faxing your name, phone number, and complete company name and address to BIS (Attn: Lenora Baylor). BIS's Fax numbers are 202-482-1733, 202-219-9179 or 202-219-9182.



We thank our sponsor, the Indiana District Export Council (DEC), for the printing of this publication. The Indiana District Export Council is a private, nonprofit corporation comprised of experienced international business people. Because of their commitment to strengthening Indiana exports, the Indiana District Export Council members volunteer their time and expertise free of charge to assist Indiana exporters. For a DEC member in your area, please call 317-582-2300.



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